

Valuation Trend Analysis

We examined the time series of median P/E ratios for both the Main Board and the GEM board from 2000 to 2023.

For the Main Board, the median P/E ratio remained relatively stable over time, except for a brief spike in 2015. The recent P/E levels are below the historical average, suggesting that the market may currently be undervalued. This could present a buying opportunity, especially for long-term investors seeking undervalued assets.

For the GEM board, the P/E ratio dropped sharply after peaking in 2015 and has become more stable in recent years. While the current valuation also appears low, the GEM board has historically exhibited greater volatility and valuation risk. Investors should approach with more caution compared to the Main Board.

Overall, the broad market seems undervalued. A long-term buy-and-hold strategy may be advisable, assuming eventual market recovery.

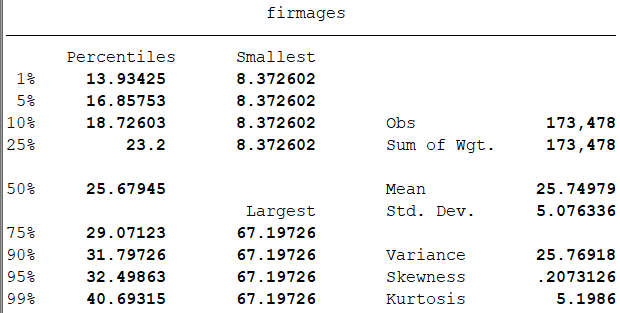
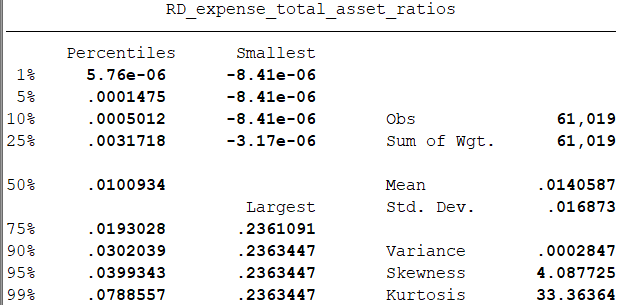
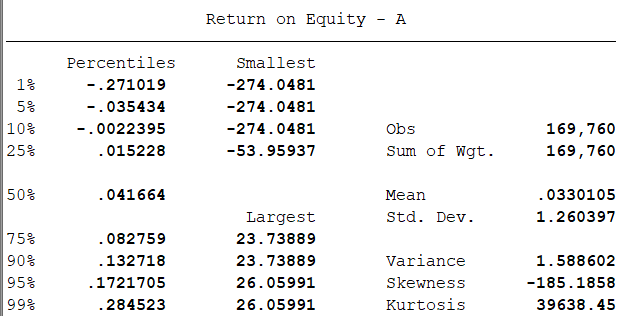
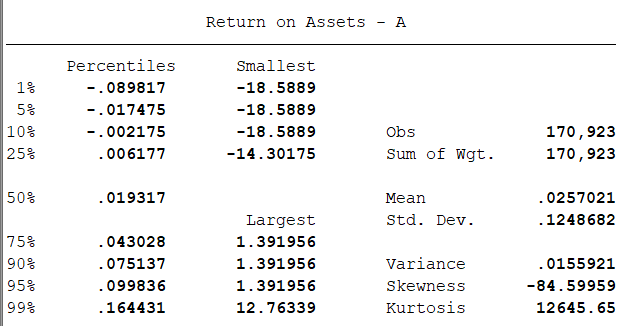
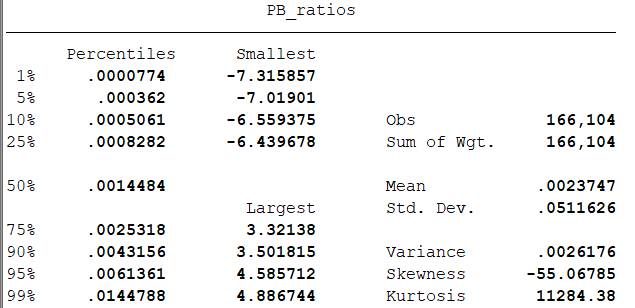
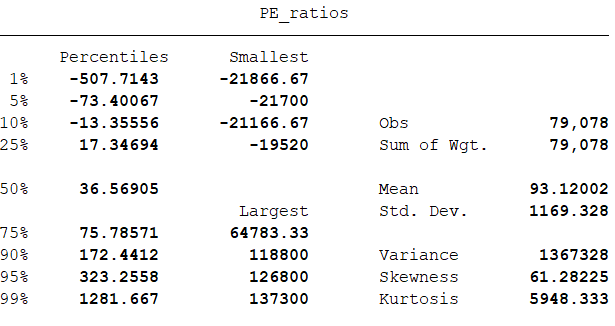
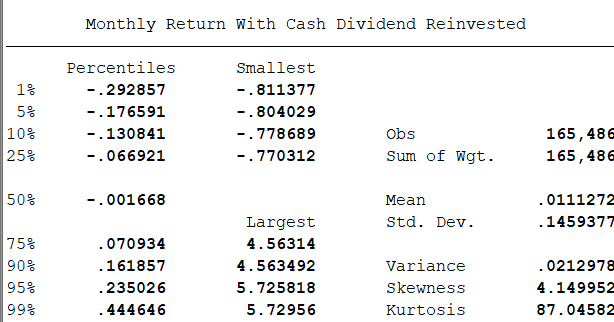
Return Persistence

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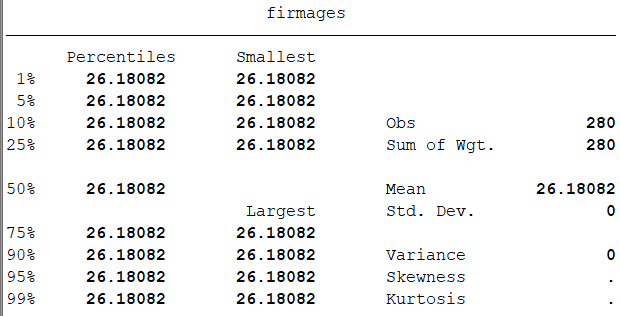
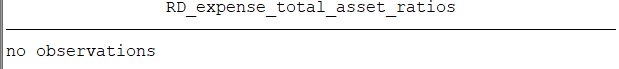
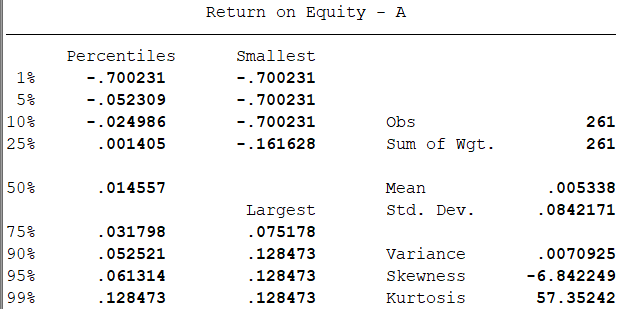
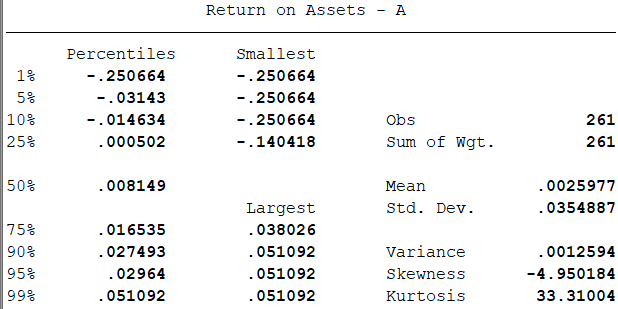
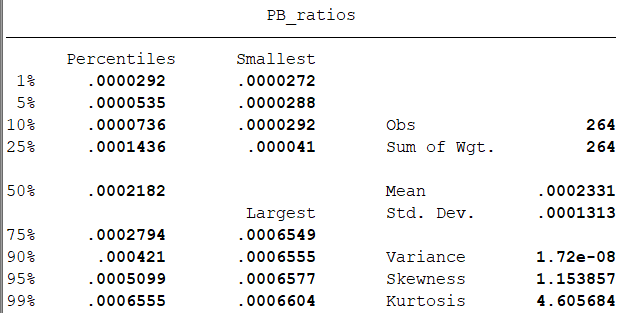
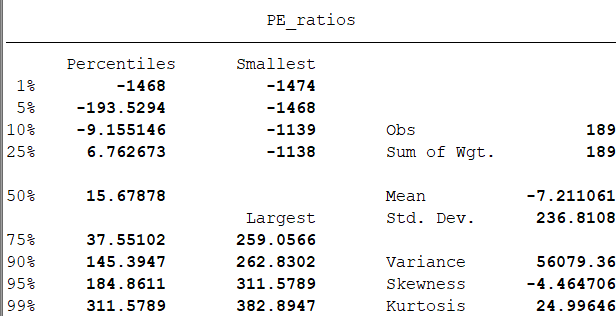
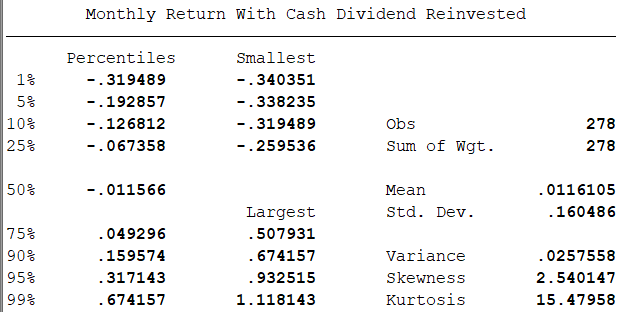
The proportion of firms consistently maintaining above-median ROE has declined over time.

A similar decline is observed in the percentage of firms with stable above-median revenue growth.

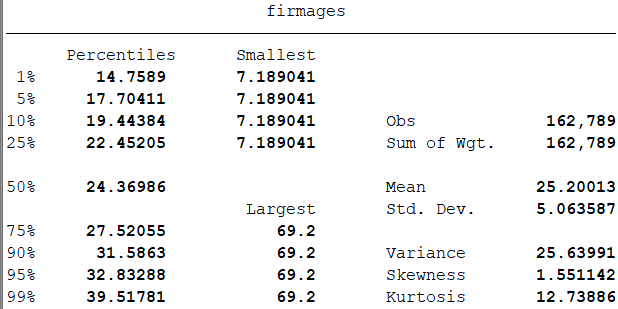
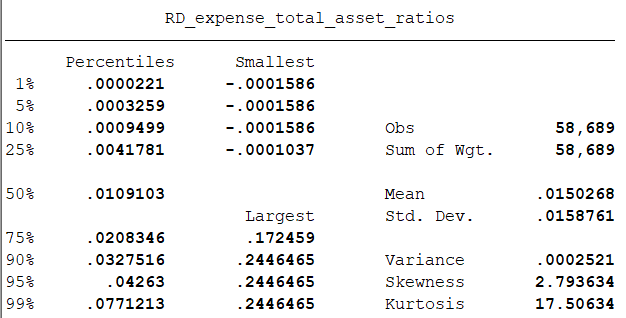
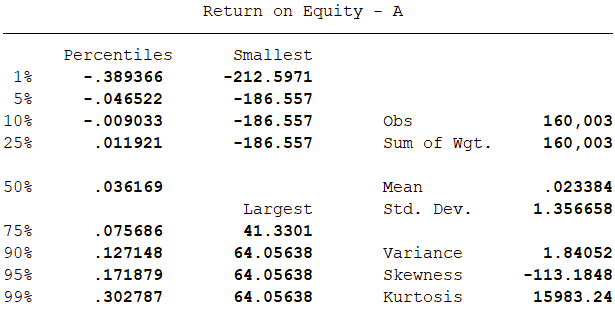
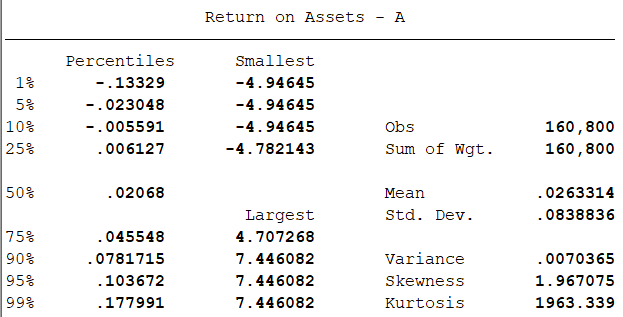
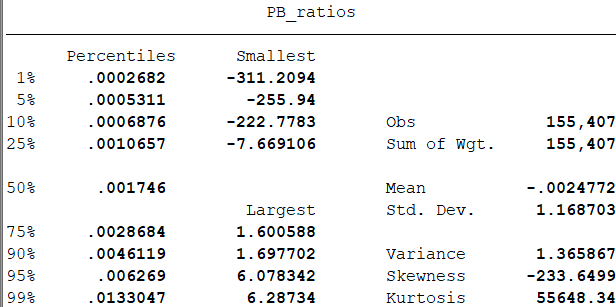
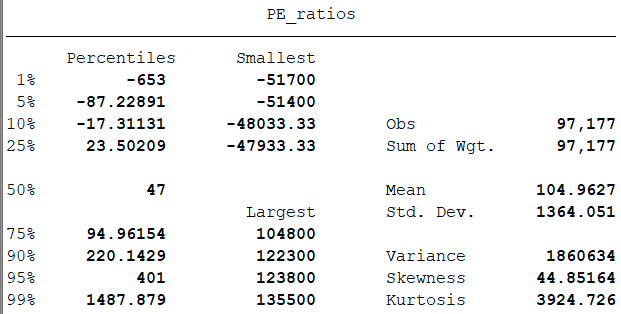
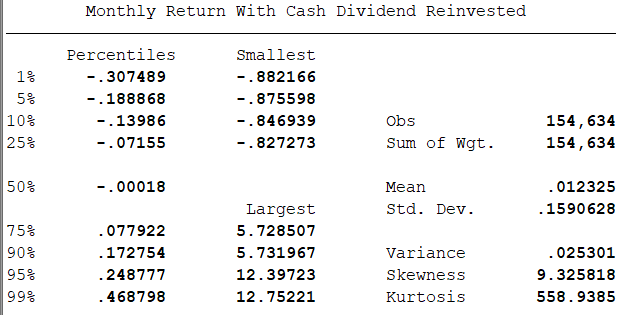
These trends suggest that firm-level fundamental consistency is weakening, and that past strong performance is not a reliable signal for future returns.



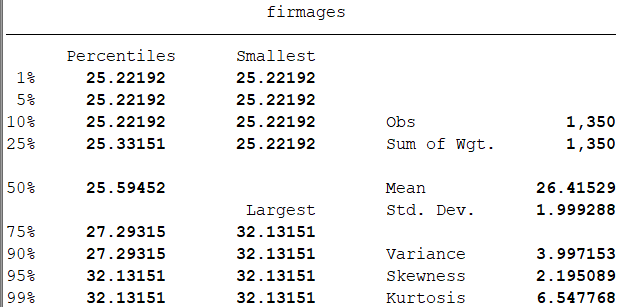
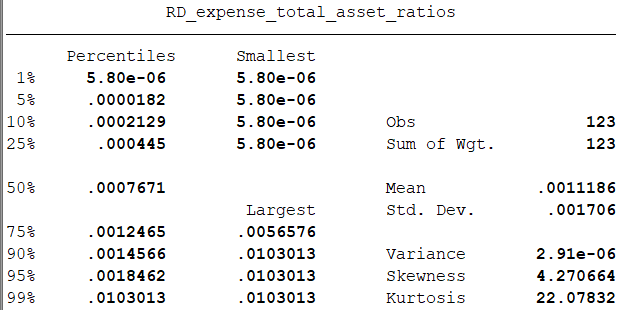
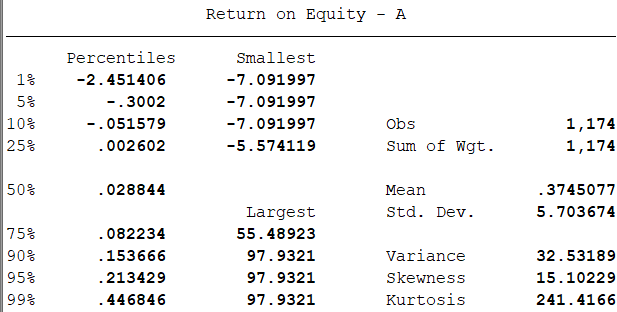
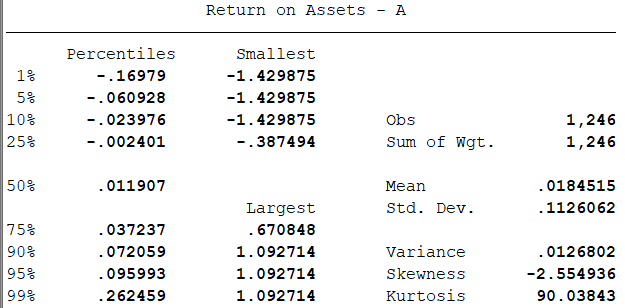
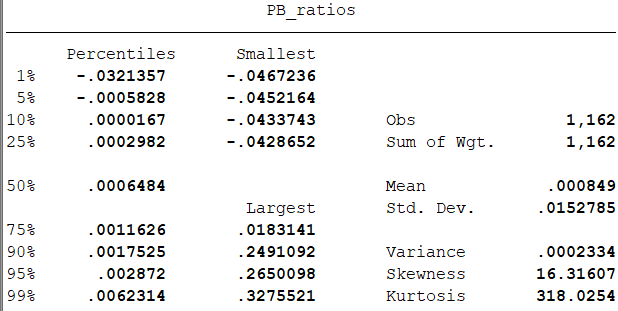
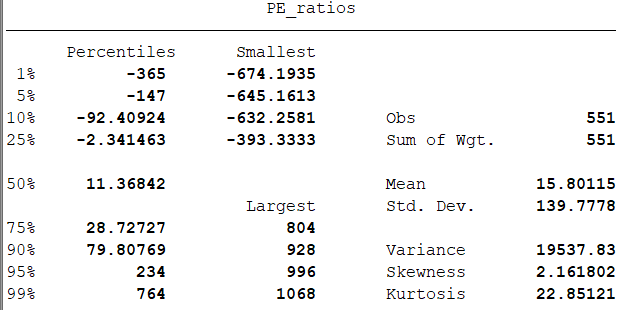
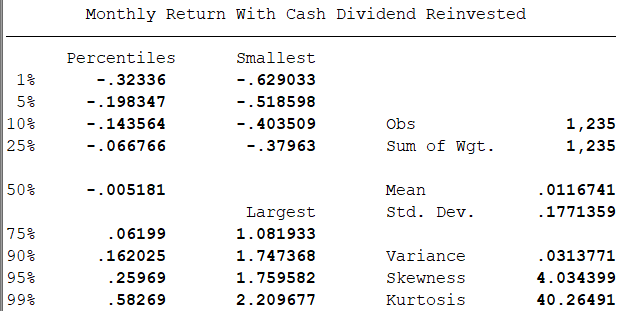
Market type 2



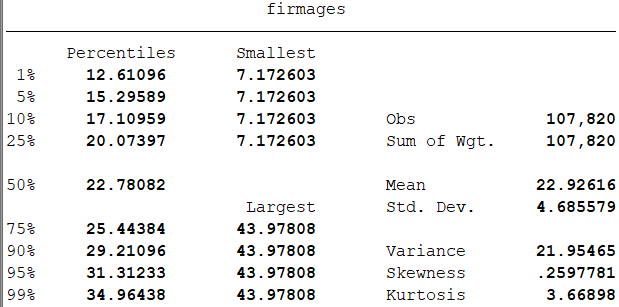
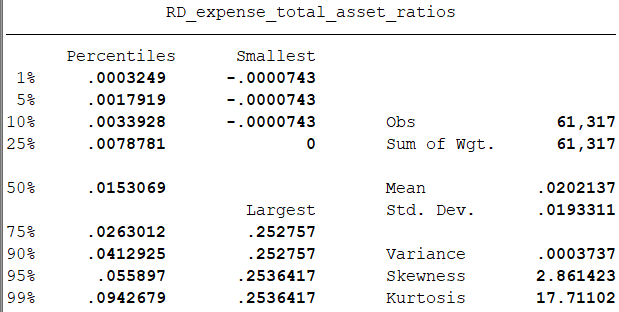
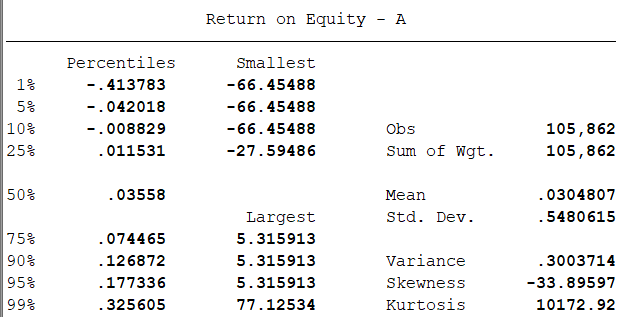
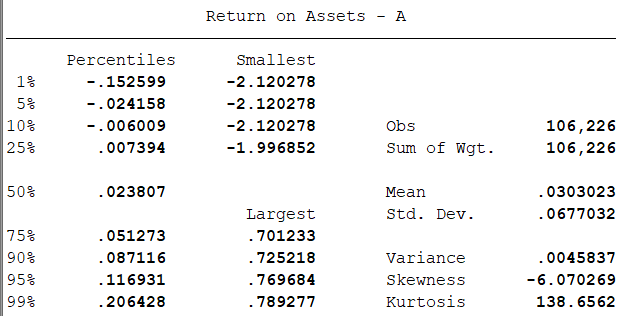
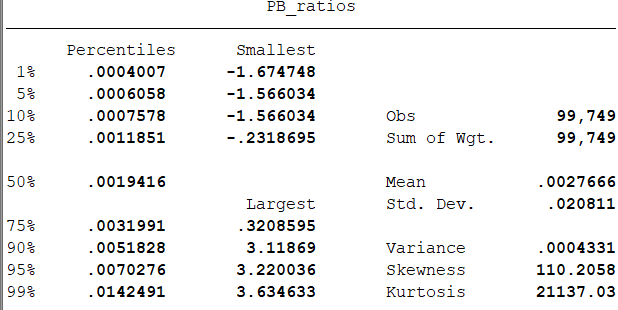
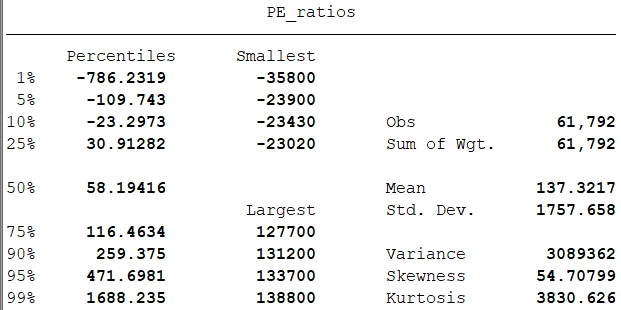
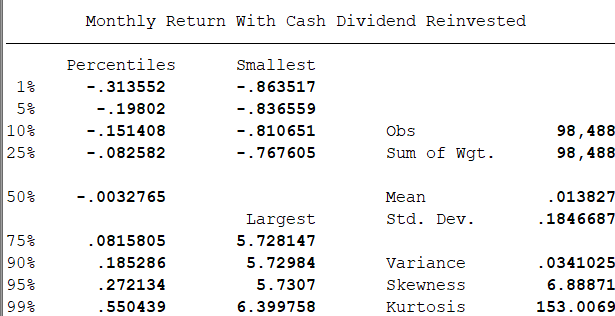
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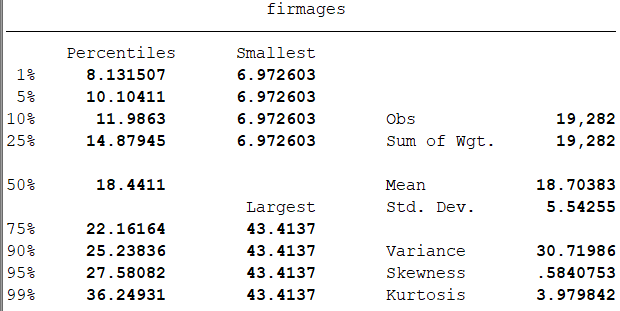
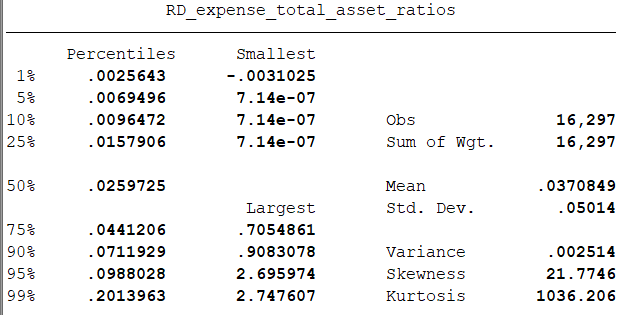
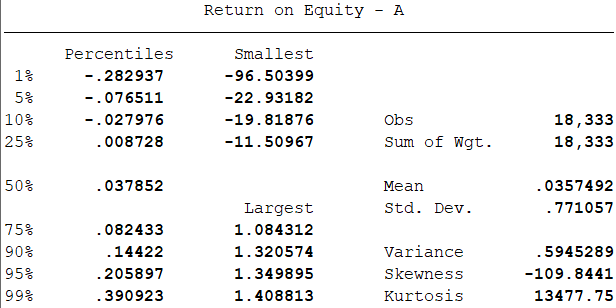
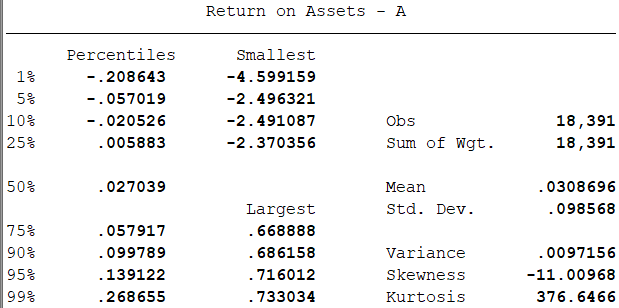
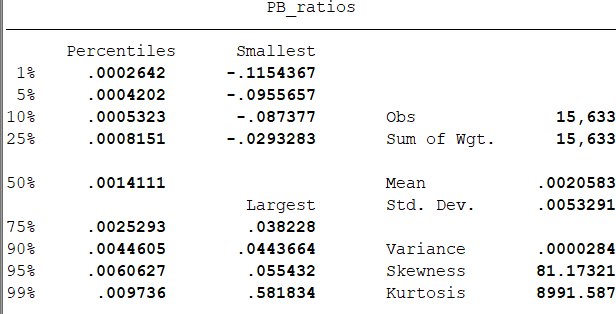
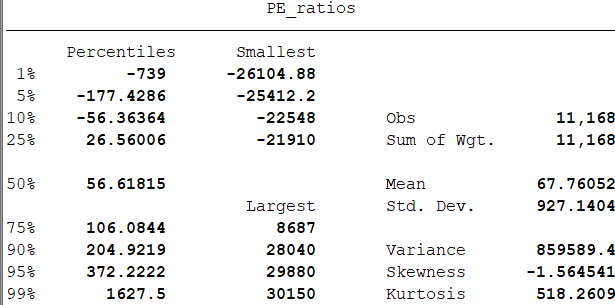
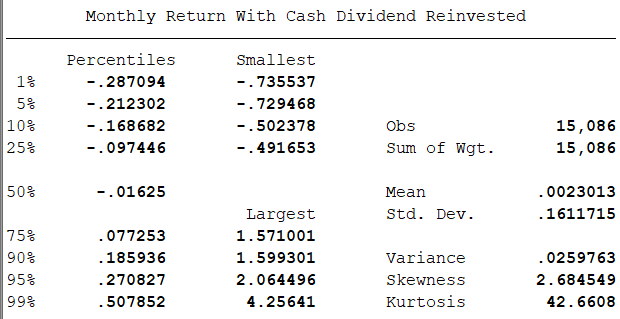
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